

**RAILROAD COMMISSION OF TEXAS  
OFFICE OF GENERAL COUNSEL**

**OIL AND GAS DOCKET  
NO. 04-0239461**

**IN THE HOME RUN (VICKSBURG  
CONS.) FIELD, BROOKS COUNTY,  
TEXAS**

**FINAL ORDER  
CONSOLIDATING THE HOME RUN (LOWER VICKSBURG),  
HOME RUN (LOWER VICKSBURG 7) AND HALL-SHELLY (NO. 2 SAND) FIELDS  
INTO A NEW FIELD TO BE KNOWN AS THE  
HOME RUN (VICKSBURG CONS.) FIELD  
AND ADOPTING OPERATING RULES AND REGULATIONS  
FOR THE HOME RUN (VICKSBURG CONS.) FIELD  
BROOKS COUNTY, TEXAS**

The Commission finds that after statutory notice in the above-numbered docket heard on July 12, 2004, the presiding the presiding examiners have made and filed a report and proposal for decision containing findings of fact and conclusions of law, which was served on all parties of record; that the proposed application is in compliance with all statutory requirements; and that this proceeding was duly submitted to the Railroad Commission of Texas at conference held in its offices in Austin, Texas.

The Commission, after review and due consideration of the examiners' report and proposal for decision, the findings of fact and conclusions of law contained therein, and any exceptions and replies thereto, hereby adopts as its own the findings of fact and conclusions of law contained therein, and incorporates said findings of fact and conclusions of law as if fully set out and separately stated herein.

Therefore, it is **ORDERED** by the Railroad Commission of Texas that the Home Run (Lower Vicksburg) Field, Home Run (Lower Vicksburg 7) Field and Hall-Shelly (No. 2 Sand) Field, Brooks County, Texas, be and they are hereby combined and recognized as one field, to be known as the Home Run (Vicksburg Cons.) Field (No. 42403 900) Brooks County, Texas; and all records and reports filed with the Commission will show such designation.

It is further **ORDERED** by the Commission that the operating rules as hereinafter set out, are hereby adopted for the Home Run (Vicksburg Cons.) Field, Brooks County, Texas.

**RULE 1:** The entire correlative interval from 9670 feet to 12,550 feet as shown on the gamma ray-electric log of the Brigham Oil & Gas, L.P. Palmer State 348 Lease, Well No. 2; API No. 047 31861, C&M RR Co. #348/J.F. Dawson Survey, Brooks County, Texas, shall be designated as a single reservoir for proration purposes and be designated as the Home Run (Vicksburg Cons.) Field.

**RULE 2:** No well for gas or oil shall hereafter be drilled nearer than THREE HUNDRED THIRTY (330) feet to any property line, lease line, or subdivision line and no well shall be drilled nearer than SIX HUNDRED SIXTY (660) feet to any applied for, permitted or completed well in the same reservoir on the same lease, pooled unit or unitized tract. The aforementioned distances in the above rule are minimum distances to allow an operator flexibility in locating a well, and the above spacing

rule and the other rules to follow are for the purpose of permitting only one well to each drilling and proration unit. Provided however, that the Commission will grant exceptions to permit drilling within shorter distances and drilling more wells than herein prescribed whenever the Commission shall have determined that such exceptions are necessary either to prevent waste or to prevent the confiscation of property. When exception to these rules is desired, application therefor shall be filed and will be acted upon in accordance with the provisions of Commission Statewide Rules 37 and 38, which applicable provisions of said rules are incorporated herein by reference.

In applying this rule, the general order of the Commission with relation to the subdivision of property shall be observed.

**RULE 3:**

A: The acreage assigned to the individual gas well for the purpose of allocating allowable gas production thereto shall be known as a proration unit. The standard drilling and proration units are established hereby to be FORTY (40) acres. No proration unit shall consist of more than FORTY (40) acres; provided that, tolerance acreage of ten (10) percent shall be allowed for each standard proration unit so that an amount not to exceed a maximum of FORTY-FOUR (44) acres may be assigned. The two farthestmost points in any proration unit shall not be in excess of TWO THOUSAND ONE HUNDRED (2100) feet removed from each other. Each proration unit containing less than FORTY (40) acres shall be a fractional proration unit. All proration units shall consist of continuous and contiguous acreage which can reasonably be considered to be productive of gas. No double assignment of acreage will be accepted.

An operator, at his option, shall be permitted to form optional drilling and fractional proration units of TWENTY (20) acres. A proportional acreage allowable credit will be given for a well on a fractional proration unit. The two farthestmost points of a TWENTY (20) acre fractional proration unit shall not be greater than ONE THOUSAND FIVE HUNDRED (1500) feet removed from each other.

B. The acreage assigned to the individual oil well for the purpose of allocating allowable oil production thereto shall be known as a proration unit. The standard drilling and proration units are established hereby to be FORTY (40) acres. No proration unit shall consist of more than FORTY (40) acres except as hereinafter provided. The two farthestmost points in any proration unit shall not be in excess of TWO THOUSAND ONE HUNDRED (2100) feet removed from each other; provided however, that in the case of long and narrow leases or in cases where because of the shape of the lease such is necessary to permit the utilization of tolerance acreage, the Commission may after proper showing grant exceptions to the limitations as to the shape of proration units as herein contained. All proration units shall consist of continuous and contiguous acreage which can reasonably be considered to be productive of oil. No double assignment of acreage will be accepted.

If after the drilling of the last well on any lease and the assignment of acreage to each well thereon in accordance with the regulations of the Commission there remains an additional unassigned acreage of less than FORTY (40) acres, then and in such event the remaining unassigned acreage up to and including a total of TWENTY (20) acres may be assigned as tolerance acreage to the last well drilled on such lease or may be distributed among any group of wells located thereon, so long as the

proration units resulting from the inclusion of such additional acreage meet the limitations prescribed by the Commission.

An operator, at his option, shall be permitted to form optional drilling and fractional proration units of TWENTY (20) acres, with a proportional acreage allowable credit for a well on fractional proration units. The two farthestmost points of a TWENTY (20) acre fractional proration unit shall not be greater than ONE THOUSAND FIVE HUNDRED (1500) feet removed from each other.

C. Operators shall file with the Commission certified plats of their properties in said field, which plats shall set out distinctly all of those things pertinent to the determination of the acreage credit claimed for each well; provided that if the acreage assigned to any proration unit has been pooled, the operator shall furnish the Commission with such proof as it may require as evidence that interests in and under such proration unit have been so pooled.

**RULE 4:**

A. The daily allowable production of gas from individual gas wells completed in the subject field shall be determined by allocating the allowable production, after deductions have been made for wells which are incapable of producing their gas allowables, among the individual wells in the following manner:

1. SEVENTY-FIVE percent (75%) of the total field allowable shall be allocated among the individual gas wells in the proportion that the acreage assigned such well for allowable purposes bears to the summation of the acreage with respect to all prorable wells producing from this field.
2. TWENTY-FIVE percent (25%) of the total field allowable shall be allocated among the individual gas wells in the proportion that the deliverability of such well, as evidenced by the most recent G-10 test filed with the Railroad Commission bears to the summation of the deliverability of all prorable wells producing from this field.

B. The maximum daily oil allowable for each oil well in the subject field shall be 88 barrels of oil per day, and the actual allowable for an individual oil well shall be determined by the sum total of the two following values:

1. Each oil well shall be assigned an allowable equal to the top allowable established for a well having a proration unit containing the maximum acreage authorized exclusive of tolerance acreage multiplied by SEVENTY-FIVE percent (75%) and by then multiplying this value by that fraction the numerator of which is the acreage assigned to the well and the denominator of which is the maximum acreage authorized for a proration unit exclusive of tolerance acreage.
2. Each oil well shall be assigned an allowable equal to its potential based on the most recent well test filed with the Commission multiplied by TWENTY-FIVE percent (25%), provided that this value shall not exceed 88 barrels of oil per day multiplied by 25%.

It is further **ORDERED** by the Railroad Commission of Texas that all overproduction from any gas well or oil lease in the Home Run (Vicksburg Cons.) Field be and is hereby cancelled as of the date this Final Order becomes effective.

It is further **ORDERED** that the application of Brigham Oil & Gas, L.P. for suspension of the allocation formula in the Home Run (Vicksburg Cons.) Field be and is hereby approved. The allocation formula may be reinstated administratively under Statewide Rule 31 (j) if the market demand for gas in the Home Run (Vicksburg Cons.) Field drops below 100% of deliverability.

It is further **ORDERED** by the Commission that this order shall not be final and effective until 20 days after it is actually mailed to the parties by the Commission; provided that if a motion for rehearing of the application is filed by any party at interest within such 20-day period, this order shall not become final until such motion is overruled, or if such motion is granted, this order shall be subject to further action by the Commission. Pursuant to TEX. GOV'T CODE §2001.146(e), the time allotted for Commission action on a motion for rehearing in this case prior to its being overruled by operation of law, is hereby extended until 90 days from the date the order is served on the parties.

Each exception to the examiners' proposal for decision not expressly granted herein is overruled. All requested findings of fact and conclusions of law which are not expressly adopted herein are denied. All pending motions and requests for relief not granted herein are denied.

Done this \_\_\_\_\_ day of \_\_\_\_\_, 2004.

**RAILROAD COMMISSION OF TEXAS**

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**Chairman Victor G. Carrillo**

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**Commissioner Charles R. Matthews**

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**Commissioner Michael L. Williams**

**ATTEST:**

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**Secretary**